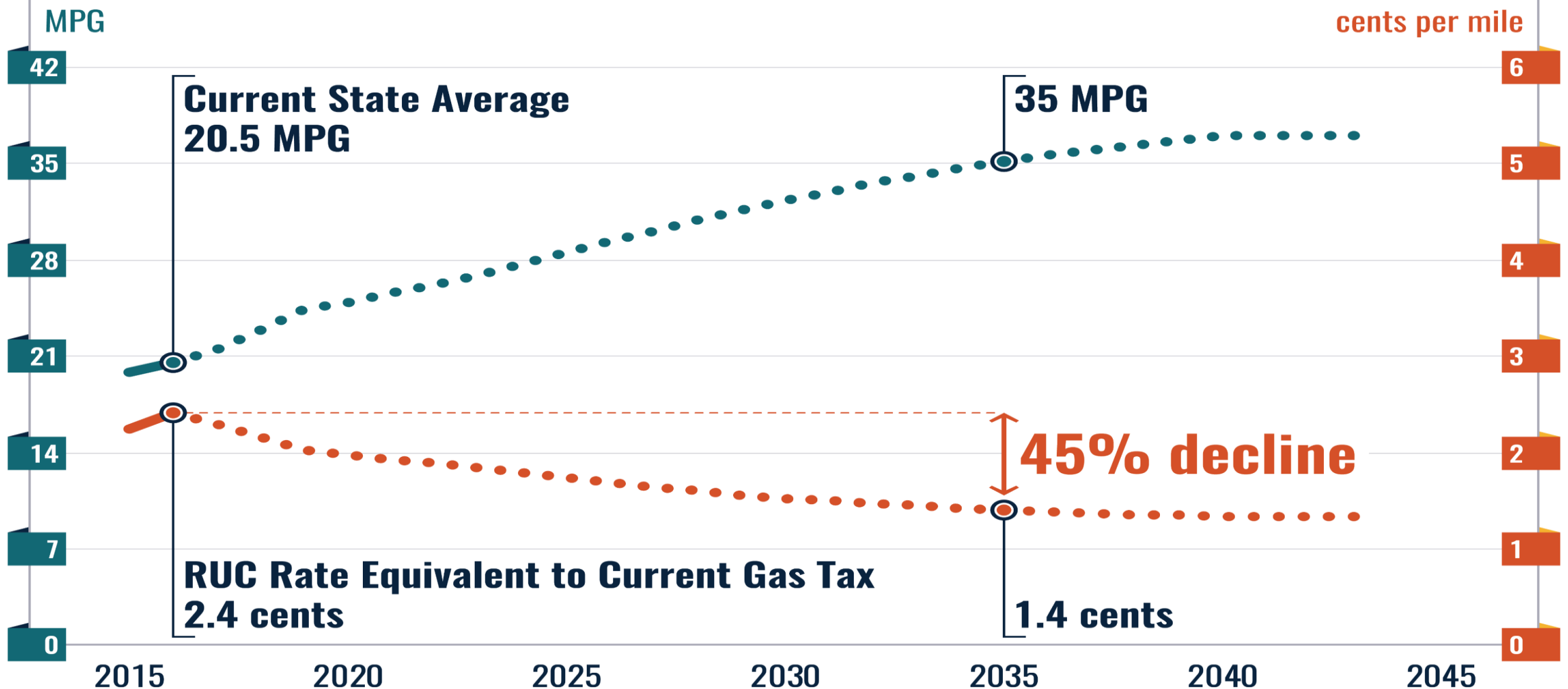




WASHINGTON STATE ROAD USAGE CHARGE ASSESSMENT

GAS TAX REVENUES DECLINE WITH VEHICLE FUEL EFFICIENCY



Conservative forecasts say Washington's vehicles will reach a 35 MPG average by 2035—a potential 45% reduction in gas tax revenue per mile driven. As vehicle MPG increases, gas consumption decreases, and thus gas tax revenues decrease as well.

The state gas tax increased in 2015-2016.

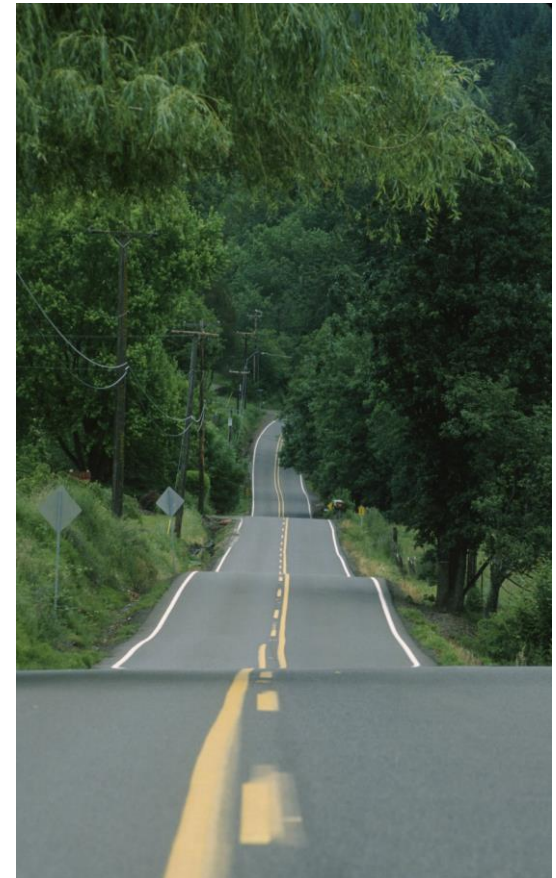
WASHINGTON STATE'S RUC ASSESSMENT

2012 Legislative Mandate To Transportation Commission:

Identify a sustainable, long-term revenue source for Washington state's transportation system, and transition from the current gas tax.

The basis of the assessment:

- Close partnership with Dept. of Transportation & Dept. of Licensing
- RUC rate tested: 2.4 cents per mile
 - $\text{State Gas Tax } 49.4 \div 20 \text{ mpg (state average)} = 2.4 \text{ cents / mile}$
- The pilot was a simulation of a real system
- We assumed revenue neutrality and focused on net revenue potential for both RUC and the gas tax over 24 years (2019 - 2043)
- Assumed drivers would pay either the RUC or the gas tax, but not both



ROAD USAGE CHARGE STEERING COMMITTEE

Legislature directed WSTC to establish RUC Steering Committee:

Three State Transportation Commissioners – one serves as Chair

Eight Legislators – four Senators and four Representatives

Representatives from:

- Auto and light-truck manufacturers
- Ports
- Environmental
- Counties
- Trucking industry
- Cities
- Public transportation
- Tribal
- Consumer/public
- WSDOT
- Department of Licensing
- Motoring public
- Business
- User fee technology
- Treasurer's office



RUC PILOT PROJECT



Inform design of a fair-share approach


WASHINGTON'S RUC PILOT PROJECT

Summary of Washington RUC Pilot Project:

- **Year-long**, statewide test of Washington-designed RUC system for **2,000** test-drivers
- **Cross-border testing:**
 - City of Surrey, BC
 - Idaho Transportation Department
 - Oregon Department of Transportation
- **Additional partners:** Seattle Electric Vehicle Association and Plug-in America




MILEAGE REPORTING OPTIONS AT A GLANCE




ODOMETER READING

- Post-pay for miles reported quarterly
- Report miles either electronically or in person




MILEMAPPER SMARTPHONE APP

- Records miles using a smartphone
- Works with all vehicles
- Navigational GPS can be turned on/off
- Available only on iPhone iOS



MILEAGE PERMIT

- Pre-select a block of miles (1,000, 5,000, 10,000)
- Report odometer either electronically or in person every three months
- Obtain additional miles as needed to keep mileage permit valid



PLUG-IN DEVICES (WITH OR WITHOUT GPS)

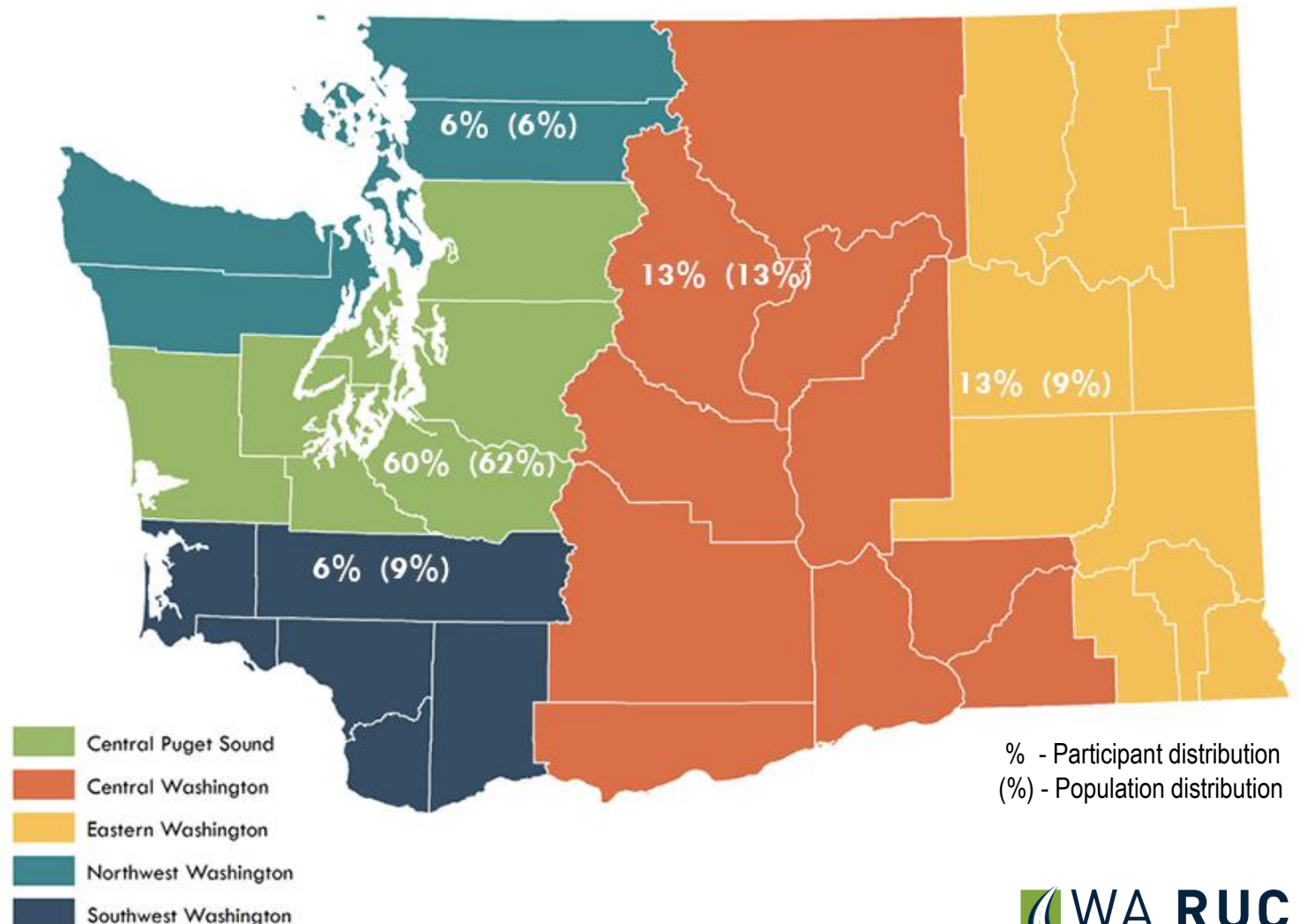
- Automated mileage meter with GPS and non-GPS options
- Plugs into OBD-II ports in vehicles 1996 or newer
- GPS-enabled devices automatically deduct out-of-state miles

LOW-TECH

HIGH-TECH

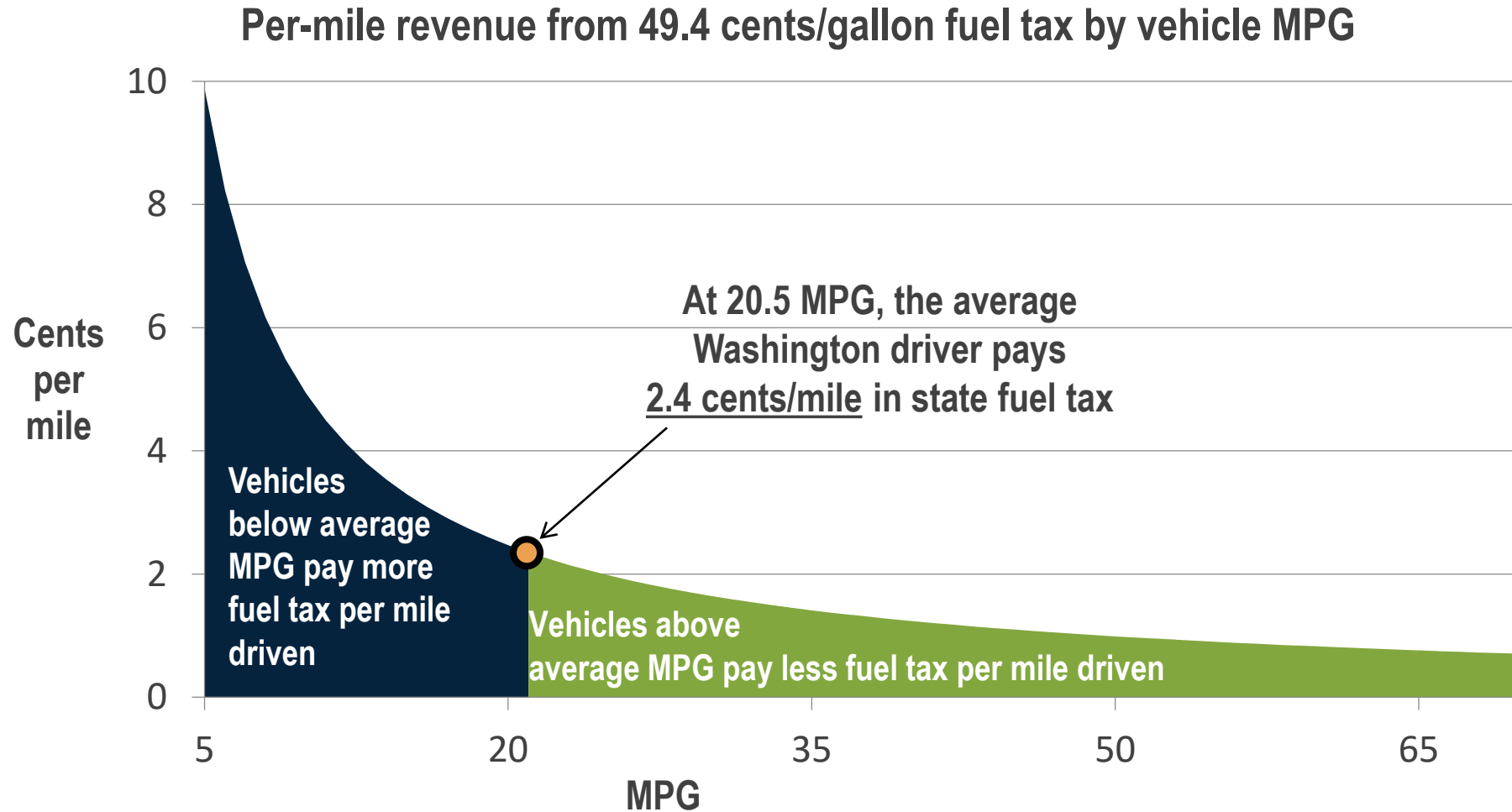
PARTICIPANT POOL: GEOGRAPHIC DISTRIBUTION

- Nearly 5,000 drivers from across the state expressed interest
- 2,000 spots were available - drivers from across the state participated
- The 2,000 participants reflected our state's geographic distribution

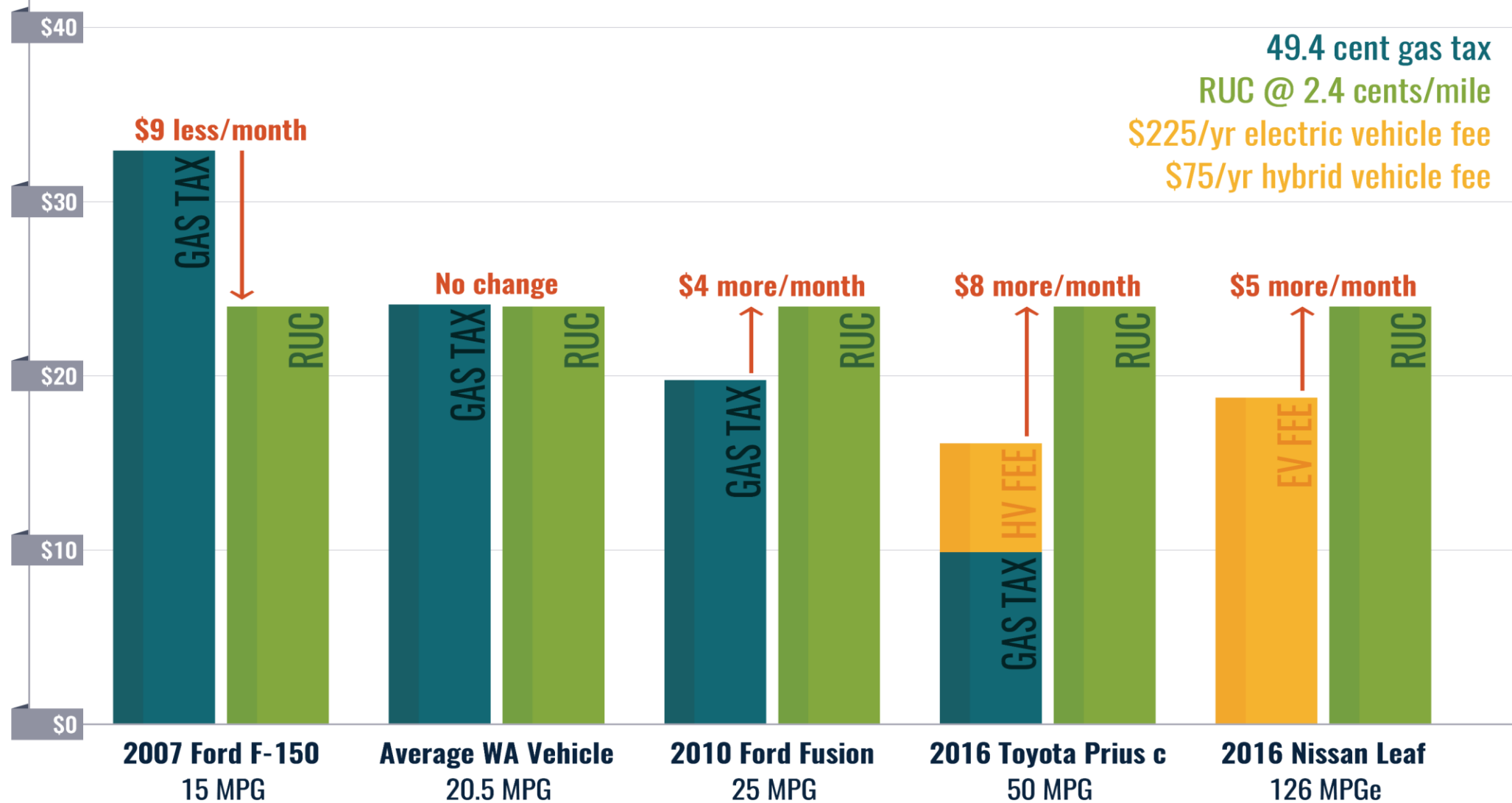


KEY FINDINGS TO DATE

TAXING GALLONS HAS REAL FAIRNESS AND EQUITY CHALLENGES



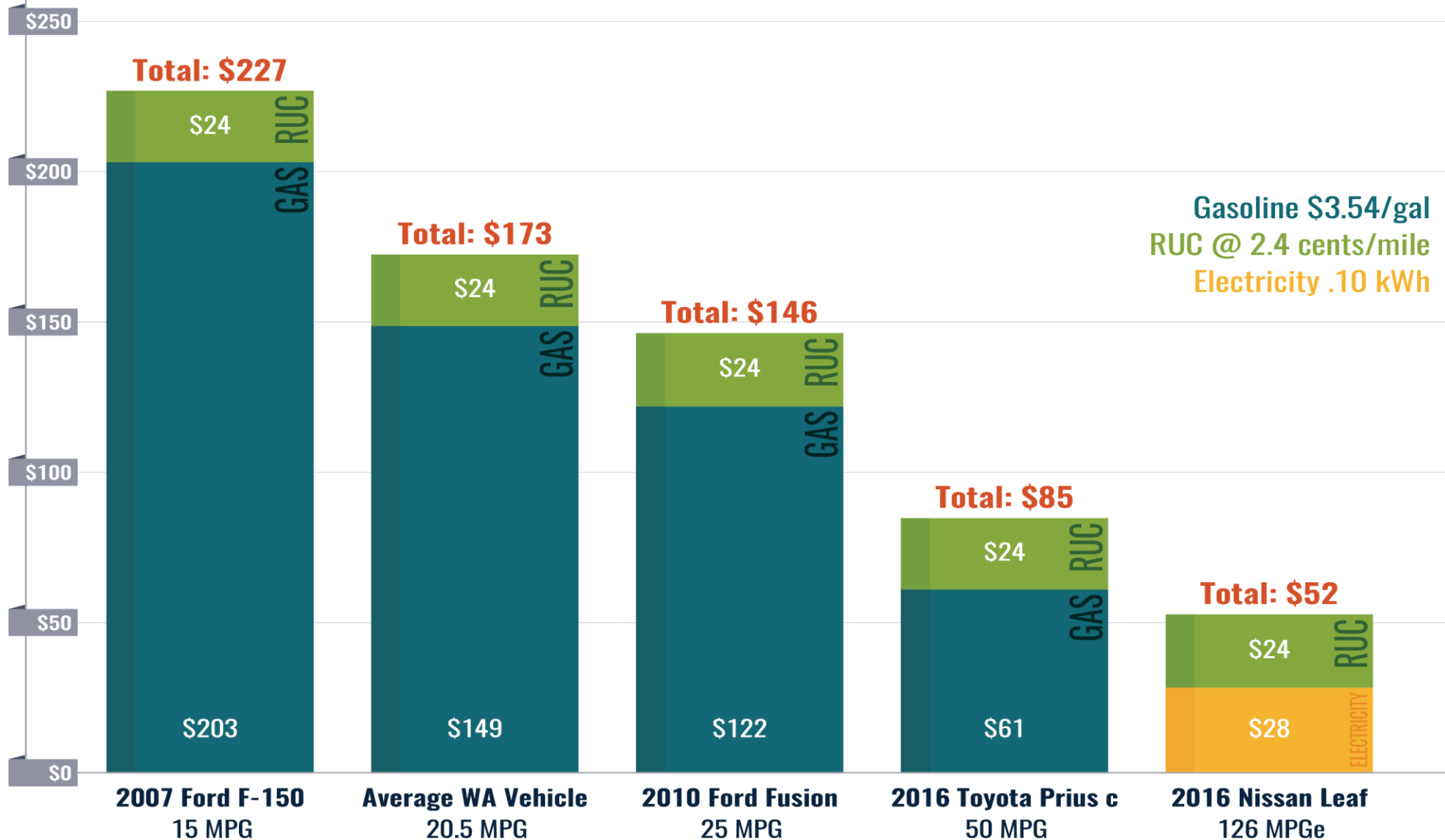
COST OF GAS TAX OR ROAD USAGE CHARGE (RUC) AT 1,000 MILES/MONTH



What you drive will determine the cost impact of RUC:

- Less fuel efficient vehicles will see a decrease in the amount of taxes paid
- More fuel efficient vehicles will see an increase in the amount of taxes paid
- The total effect is that all drivers pay the same rate to use the roads—regardless of their vehicle's MPG

MONTHLY FUEL + ROAD USAGE CHARGE (RUC) COST PER 1,000 MILES TRAVELED



While RUC does result in drivers of fuel efficient vehicles paying a little more in taxes for transportation as compared to the gas tax, the overall cost advantage of owning a fuel efficient, hybrid, or EV remains significant.

For example, under RUC, owners of a Prius will pay \$142 dollars per month less than the Ford pickup truck driver.

RUC ≠ TOLLING

RUC & tolling are separate tools in our tool box

- RUC is being looked at as a foundational funding source for the statewide transportation system, replacing the gas tax
 - *Assumes drivers would pay RUC AND tolls – just like they pay gas taxes AND tolls today*
- Tolling is used to pay for a specific project and/or manage demand on a specific corridor, with the revenues dedicated to that corridor or project
- While RUC could incorporate pricing for congested corridors, to do so requires the mandatory use of GPS – and this conflicts with a key priority:
 - *Consumers must have a choice for how they report their miles, including not using GPS*
 - *Privacy trumps pricing*



EVEN WITH ANNUAL GAS TAX INCREASES REVENUE WILL NOT KEEP UP WITH NEEDS

Sort of like scooping water out of a sinking boat.....

- The gas tax would have to be raised about 1.5 cents per gallon, per year on all vehicles from 2019-2043 in order to equal net revenues from a road usage charge of 2.4 cents per mile
- By 2043, drivers would be paying **85 cents / gallon** – with reduced purchasing power
- Would not address growing funding needs for improvements nor maintenance – it would keep funding at status quo equivalent levels



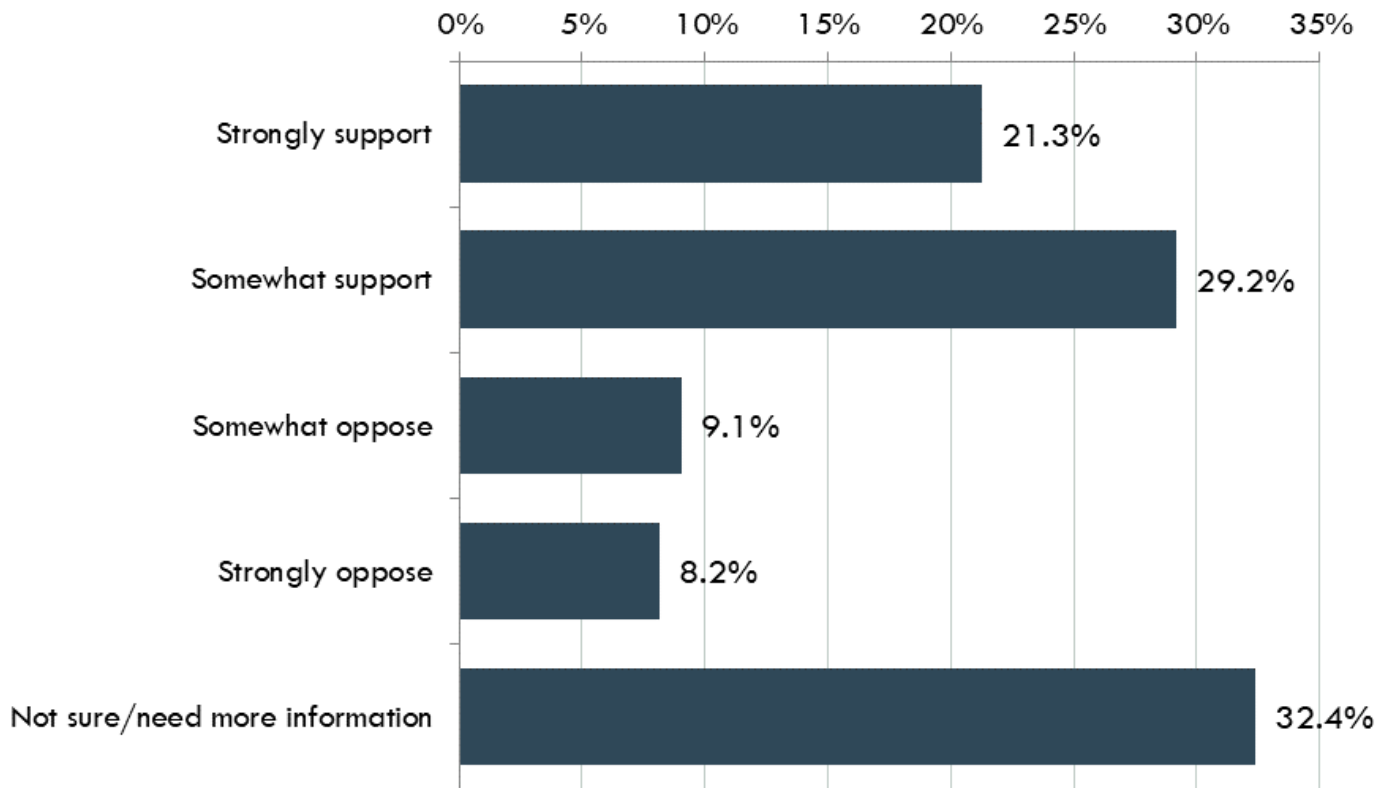
RUC PILOT PARTICIPANT INPUT



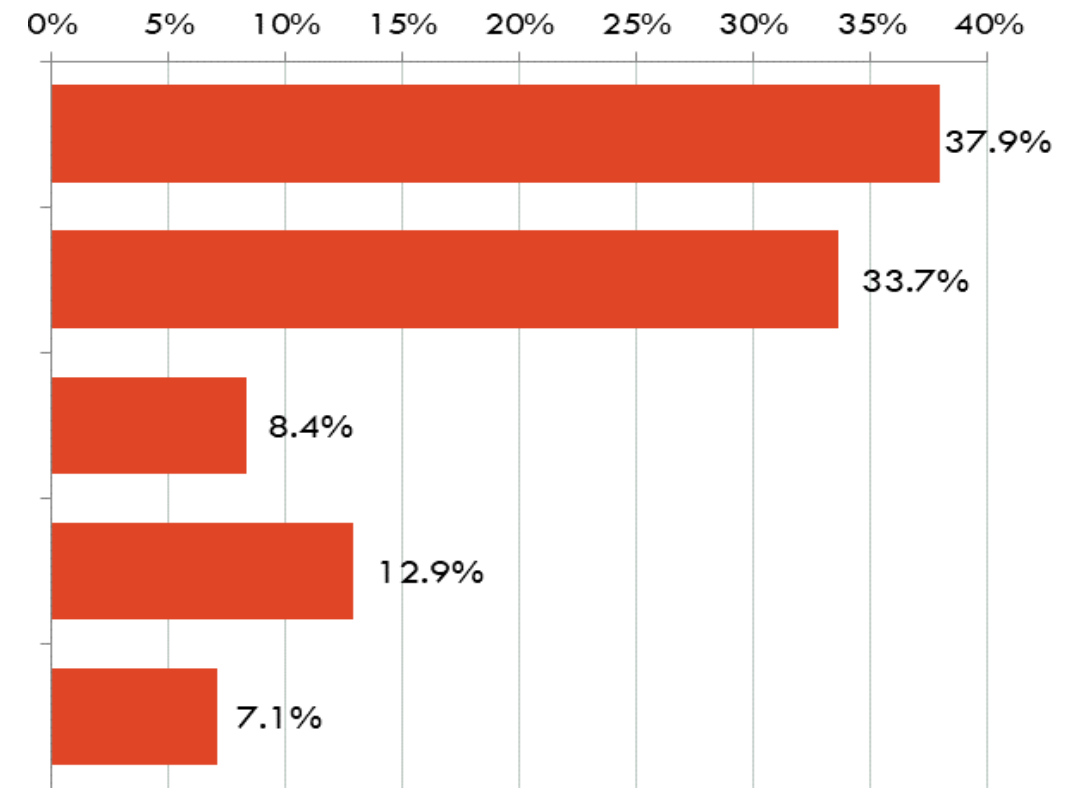
Three Surveys, 12 months

HOW DO YOU FEEL ABOUT IMPLEMENTING A RUC AS A REPLACEMENT TO THE GAS TAX TO FUND TRANSPORTATION INFRASTRUCTURE?

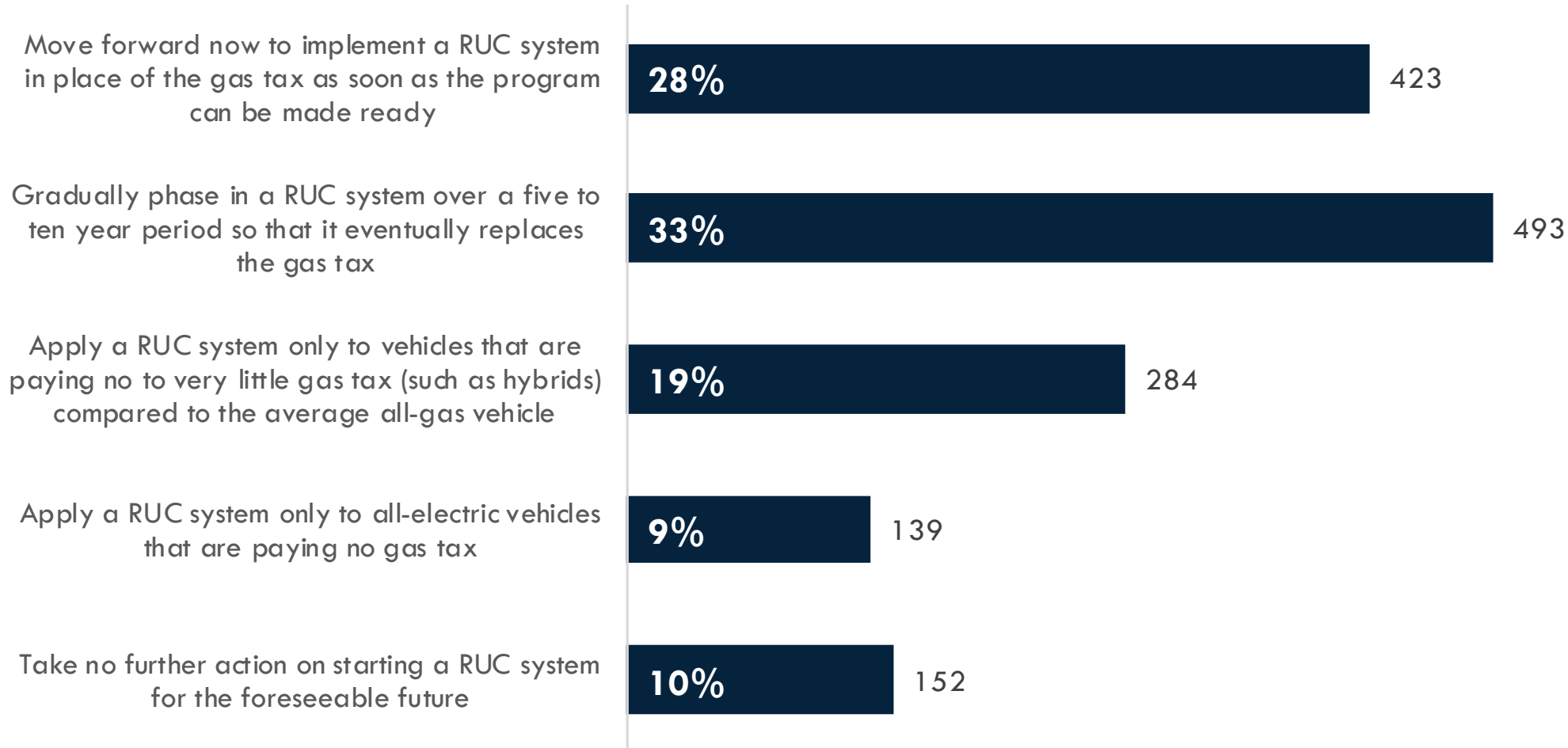
Survey 1 (n=1,683)



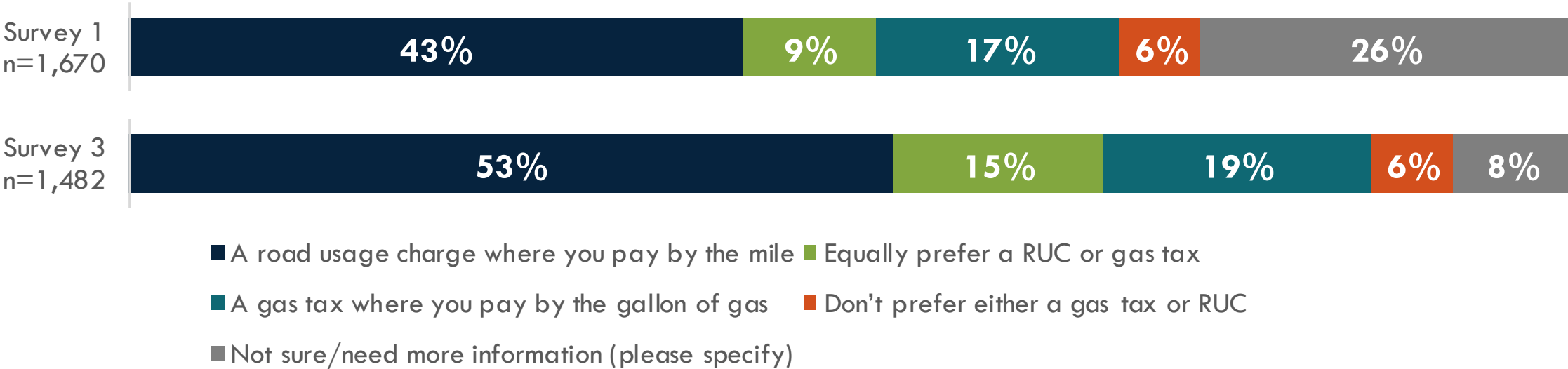
Survey 3 (n=1,468)



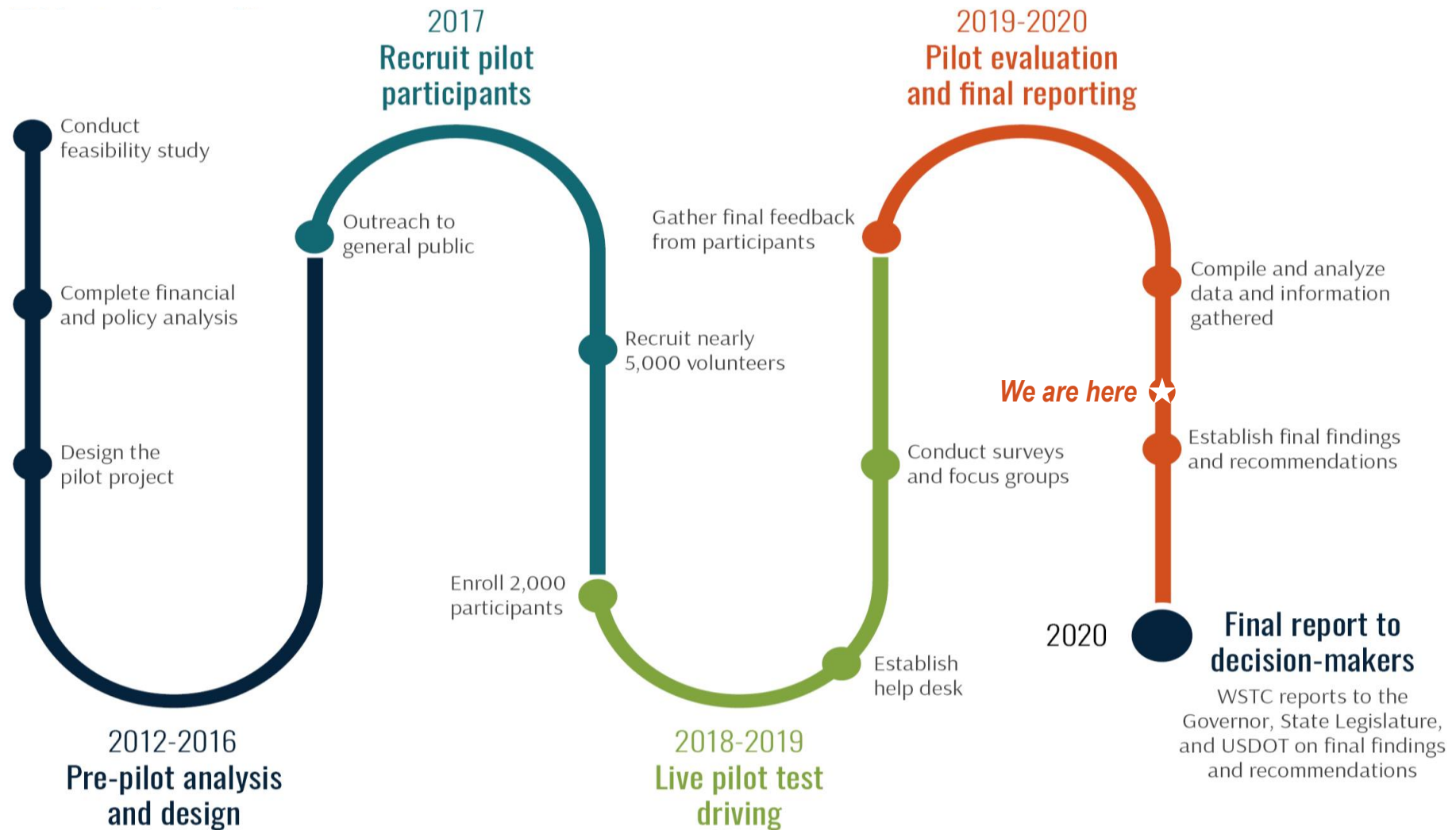
WHICH OF THE FOLLOWING BEST REPRESENTS YOUR ADVICE TO ELECTED OFFICIALS AS THEY CONSIDER THE NEXT STEPS IN IMPLEMENTING A RUC SYSTEM STATEWIDE:



KNOWING WHAT YOU KNOW TODAY, WHICH METHOD TO FUND TRANSPORTATION WOULD YOU PREFER?



PILOT PROJECT TIMELINE





**To stay looped in on our
progress visit:**

www.waroadusagecharge.org

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